Hike in the prices of Diesel and LPG

†*177. PROF. RAM GOPAL YADAV:
SHRI P. PRABHAKAR REDDY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Governmcnt are again increasing the prices of Diesel, LPG and Kerosene;

(b) if so, the reasons therefor and whether the increase made earlier was not sufficient; and

(c) what will be the impact of the increase in prices of diesel and LPG on the normal life of ordinary people representing middle and lower classes?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) to (c) Government had in September, 1997 decided to fix the consumer prices of diesel on the principle of import parity up to the ex-storage point level. In November 1997, it was further decided that the consumer prices of Liquified Petroleum Gas (LPG), Aviation Turbine Fuel (ATF), Superior Kerosene Oil (SKO) and Motor Spirit (MS) would also be moved towards import parity pricing in a phased manner. As regards, Kerosene (Public Distribution System) and LPG (Domestic), the phased programme of reforms envisaged the following:

Particulars	Model
Transition Phase	4 Years
Year 1 (1998-1999)	
Increase in prices of:	30 per cent of existing ex-storage
Kerosene (PDS)	point price.
LPG (Domestic)	33 per cent of subsidy to be passed on in selling prices.

†Original notice of the Question was received in Hindi.

Year 2 (1999-2000)	
Increase in prices of:	
Kerosene (PDS)	30 per cent of revised ex-storage point price at the end of year 1.
LPG (Domestic)	A further 33 per cent of subsidy to be passed on.
Year 3 (2000-2001)	
Increase in prices of:	
Kerosene (PDS)	20 per cent of the revised ex-stogare point price at the beginning of the year.
LPG (Domestic)	Suitable adjustment in prices to reach subsidy level at 15% of import parity.
Year 4 (2001-2002)	
Increase in prices of:	
Kerosene (PDS)	Suitable adjustment in prices to reach subsidy level at 33.33% of the import parity.
	Full Deregulation:
2002 onwards	
	Transfer of subsidy on SKO (PDS) and LPG (Domestic) to the fiscal budget of the Government.

Since September, 1997, the prices of diesel have been revised on ten occasions, out of which six were decreases and four were increases. Last revision was made effective 6th October, 1999. The subsidy on LPG (Domestic) has been withdrawn to the extent of Approx. 33% in February, 99. In the event of consumer prices of major petroleum products moving to market prices in phased manner as envisaged in the above Government decisions, the gain/loss to consumer in the country would be corresponding to decrease/increase in the prices of these products in international market.

Availability of Gas to Pipavav Power Project

*178. SHRI ANANTRAY DEVSHANKER DAVE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the existing gas availability has since been increased from Tapti Fields from 3.5 MCMD to 5.5 MCMD;